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ABSTRACT

This two-part analysis of enrollment trends in California's community colleges focuses on general trends during the past decade and on enrollment in 1984 (i.e., the year that mandatory student enrollment fees were first implemented). Following background information on the implementation of the first-ever community college fee in California, the report assesses the general status of educational opportunity in the state, and reviews 1975-80 enrollment trends and trends seen during the 1980s. The next section of the report analyzes enrollment changes in 1984 and the impact of the new fee. Finally, policy implications related to fee changes, financial aid problems, employment and course scheduling conflicts, and losses in minority enrollments are discussed. Among the findings highlighted in the report are the following: (1) community college enrollments dropped by 7% in 1984 due to several factors, including the new enrollment fee, employment improvement, and declining numbers of high school graduates; (2) the new Board of Governor's financial aid program did not have the impact expected because of inadequate local staffing and complex application procedures; (3) enrollment increases were experienced in a few suburban and rural colleges, while the largest losses were reported in large urban districts; (4) students enrolled after the fee was imposed reported higher incomes than those enrolled prior to the imposition of the fee; and (5) disproportionate losses of Hispanics and younger Blacks appear to have been due to financial considerations. (EJV)

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Board of Governors of the

California Community Colleges

January 23-24, 1986

Item 5

Title: Enrollment Trends:
Preliminary Analysis of Fee Impact

Staff Presentation: Chuck McIntyre, Director
Analytical Studies

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Summary

This information items present a two part, preliminary analysis of enrollment trends in the California community colleges. The first part deals with general trends during the past decade. The second part concentrates on 1984: the year in which a mandatory student enrollment fee was first implemented. A review of possible policy implications and next steps rounds out the discussion. The complete report, including statistical appendixes on which this item is based, is being separately distributed and is available on request from the Chancellor's Office.

When authorizing the new enrollment fee for 1984, the Legislature requested the Chancellor to study its impact. To assist in this work, the Field Research Corporation was retained to make detailed studies of student characteristics before and after the fee.

Studies by the Field Corporation and other preliminary evidence have been analyzed for this report. While the findings are persuasive, it is important to determine if changes that took place in 1984 are due to conditions unique to that year or are simply part of longer-term trends that result from ongoing conditions. To make this determination, staff will analyze further evidence, particularly the number and characteristics of community college students during the 1985-86 academic year, before any final conclusions are drawn.

These preliminary findings show that the new fee had an impact on 1984 enrollment, but that several other factors also played a part: changing academic calendars, district financial ability and number of high school graduates in the case of full-time students, and an improved labor market in the case of part-time students. The enrollment loss was greatest in the large urban districts, but the fee and other factors also contributed to enrollment losses in other districts.

The new Board of Governors' financial aid program did not have the expected ameliorating effect, particularly in the large urban districts, because of inadequate local staffing, complex application procedures, and lack of publicity. Disproportionate losses of Hispanic and, especially, younger Black students appear to have been due to a number of financial considerations (of which the enrollment fee was one) that led many of these individuals to work, rather than enroll. Losses also were greatest among students taking six to

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eleven units, for whom the fee generally represented the largest relative increase in cost. Students enrolled after the fee generally reported having higher incomes, but the same educational objectives as those students enrolled prior to the fee.

The 1984 enrollment loss of five percent was the third consecutive decline and resulted in the ratio of community college enrollments to California adult population reaching its lowest level since the 1960s. The peak ratio occurred in 1975 and has since decreased by nearly one-third, largely because of a series of restrictive fiscal policies and, to a lesser extent, a gradual decline in the number of California's 18 to 24 year-olds, who exhibit the highest college-going rates.

These preliminary findings suggest a number of major implications for policies that impact enrollment:

- the need to (a) examine fee levels considering all costs and who pays those costs, (b) choose a fee structure that encourages students to complete a more relevant program in less time, and (c) assess the differential impact of fee and financial aid changes on students in different districts;
- the need to analyze and resolve remaining problems with the delivery of financial aid;
- the need to develop policies for college course scheduling that enable and encourage community colleges to more effectively serve that majority of students who work while enrolled;
- the need for policies that effectively address the causes of recent disproportionate decreases in the enrollment of Blacks and Hispanics in postsecondary education.

Further work is underway to verify these preliminary findings and to sharpen and expand their policy implications. Early estimates indicate enrollments may have declined again moderately in the fall 1985. Detailed analysis of enrollment data for 1985-86, and another study of student characteristics in Spring 1986 by the Field Research Corporation, will enable staff to develop more definitive conclusions about the impact of the enrollment fee and other factors on community college enrollments. An advisory committee of state and local staff has begun meeting to assist the Chancellor's Office in this further work. A progress report on this study is due to the Legislature by January 1987 with a final report to be delivered in July 1987. The enrollment fee is authorized until January 1988.

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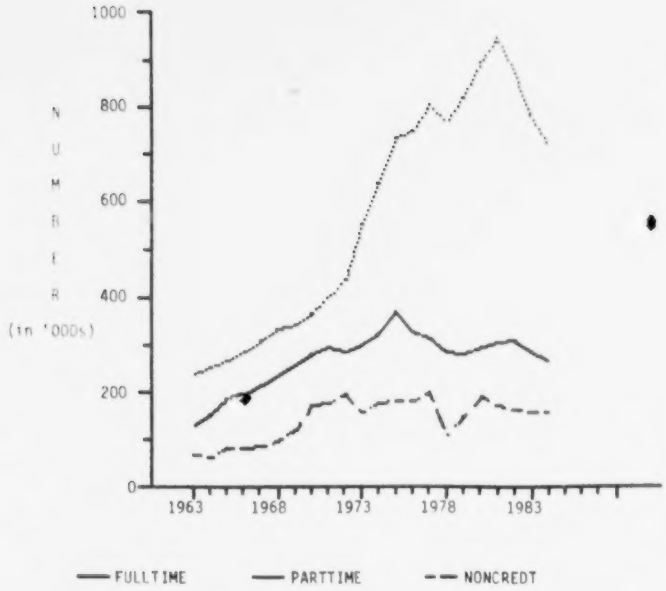
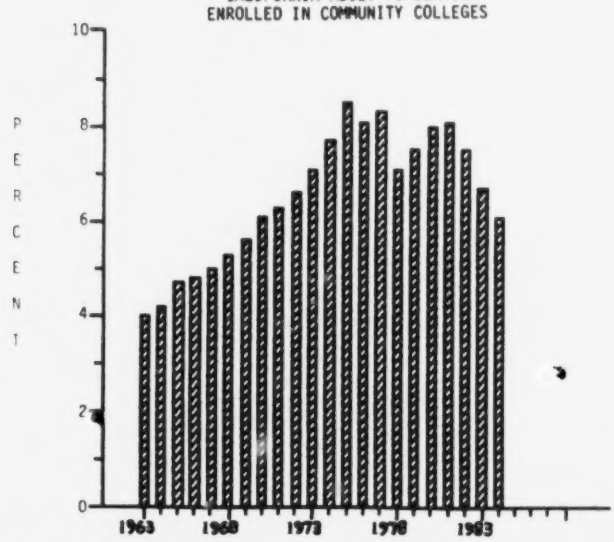
Figure 1
CALIFORNIA COMMUNITY COLLEGES
ENROLLMENT



After fifteen years of continuous increase, the highest such ratio of community college enrollment to adult population was recorded in 1975 when community colleges enrolled one of every 12 or 8.5% of adult Californians (see Figure 2). Peaking again at a slightly lower level (8.1%) in 1981, this ratio has since decreased as enrollments have declined and the adult population has continued to increase at a rate of about 2% annually. California community colleges now serve about one in 17 or 6% of the state's adults, the lowest such ratio since the 1960s.

Figure 2
PROPORTION OF
CALIFORNIA ADULT POPULATION
ENROLLED IN COMMUNITY COLLEGES



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ENROLLMENT TRENDS: PRELIMINARY ANALYSIS OF FEE IMPACT

BACKGROUND

For more than two decades, California has relied heavily on the community colleges to ensure that opportunities for postsecondary education are made available to the state's adults. Community colleges meet this commitment by providing lower division instruction in transfer, occupational, developmental, continuing, and community education along with the support services students need to enroll and succeed.

Attempts to assess the status of this commitment to educational opportunity should include at least a review of student enrollments and the programs and services provided those students. Also important are the educational results: numbers completing programs, transferring to four-year institutions, taking jobs, and becoming better citizens.

This report focuses on community college enrollments. While changes in the state's economy and demography have a major impact on community college enrollments, it is evident that policy changes have sometimes been even more important. For more than a decade, California community colleges have experienced a series of major fiscal and academic policy changes which have had a major influence on the colleges' ability to enroll and educate students.

When adopting one of the most recent policy changes, a first-ever mandatory community college enrollment fee for 1984, the Legislature also requested the Chancellor to study its impact. To assist in this work, the Field Research Corporation has been retained to make detailed studies of student characteristics before and after the fee. Results of these studies and other preliminary evidence have been analyzed for this report and they suggest that while fee increases had an impact on enrollment decreases, several other factors also played a part. While these preliminary findings are persuasive, it will be necessary to examine the number and characteristics of community college students during the 1985-86 academic year before final conclusions may be reached. It is important to determine if changes that took place in 1984 are due to conditions unique to that year or are simply part of longer-term trends that result from conditions that are ongoing.

RECENT ENROLLMENT TRENDS

General Status

Measuring the status of educational opportunity is difficult since it involves qualitative as well as quantitative factors. Several numerical measures are useful as a point of departure, however. One such measure is a participation rate: the ratio that community college enrollments (see Figure 1) have been of California's adult population.

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The importance of these general trends can only be understood by further disaggregation of the data for changes that occurred in specific years and by examination of the causal factors that have been involved in these changes. Community college enrollments are affected by two sets of factors: (a) those having to do with the supply of education; i.e., the courses and services offered, and (b) those factors that describe the demand of individual Californians for postsecondary education. Both sets of factors must be examined in order to explain the changing trends in enrollment; it is the interaction of supply and demand that determines the level of enrollment.

In the following analysis we examine the changes that have taken place in community college enrollments since 1975 and the factors that may have contributed to such changes.

The Past Decade: 1975-80

The overall decline in the participation rate (enrollment divided by adult population) between 1975 and 1980 was made up of marked fluctuations in part-time enrollments and a consistent decline in full-time enrollment. Data on the gender and age of students reveal that a major shift took place in 1976 when female enrollment exceeded that of males for the first time. Between 1975 and 1980, female participation increased by nearly one-tenth, primarily among those over 35 years of age. At the same time, male participation decreased by one-fifth, largely among those over 24 years of age who were veterans and those who returned to work in a rapidly expanding economy. While the community college-going rate of high school graduates was stable, the number of high school graduates declined, thereby contributing (along with the decline in veterans) to an overall decline in full-time enrollment. And, while the improved economy affected the growth in part-time credit and noncredit enrollments, a major downward shift in the number of these students resulted from the cut in courses and services due to Proposition 13 (1978).

This Decade: The 1980s

Since 1980, California's adult population has increased by 10%, and growth rates have differed widely for different age and racial and ethnic groups. During this same period, community college enrollments have declined by one-fifth and, since the state's population continues to grow, the overall participation rate has declined by nearly one-fourth.

California's enrollment experience, since 1981, is not like that reported by community colleges elsewhere in the country. While California's enrollment has declined, community college enrollments elsewhere have been, until recently, relatively stable.

Generally similar to patterns elsewhere, however, is the pattern of disciplines in which students have tended to enroll. Since 1980, increased enrollments have been recorded in computer science, interdisciplinary studies (including English as a second language), commercial services, and mathematics. The largest decreases have been in agriculture, consumer education, education, architecture, fine and applied arts, psychology, and social science.

Changes in funding policies and demographics, along with labor market fluctuations, continue to impact California community college enrollments just as they did during the late 1970s. Other factors, however, such as more rigorous academic standards, changes to academic calendars, and increased student fees also have played an important part in the significant enrollment loss of the past four years.

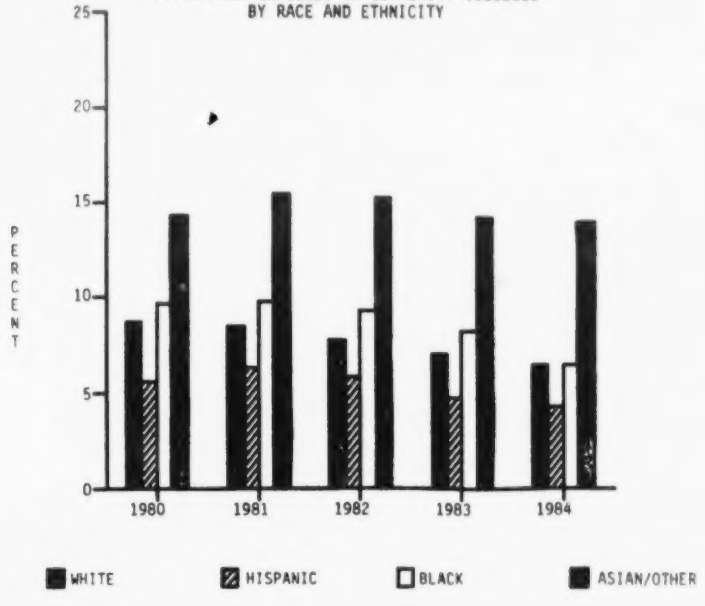
After a 1981 increase in funding and enrollment, specific course cuts in 1982 led to a dramatic enrollment decline among older students, particularly females taking one course in the evening. More general course cuts in 1983, together with the impact of more rigorous probation and dismissal policies and possible confusion about the fee, led to further enrollment losses, particularly among Blacks and Hispanics.

After increasing in 1981 and 1982, full-time enrollments have declined the past three years. Part-time credit enrollments have declined dramatically since 1981. By contrast, noncredit enrollments, after being cut by nearly half in the wake of Proposition 13, have since grown and stabilized, reflecting the need, particularly of Asian and Hispanic students, for instruction in basic skills, English as a second language, citizenship, and short-term vocational programs which, today, account for nearly three-fourths of all noncredit activity.

Given the rapid increases in the Hispanic and Asian populations, however, it isn't clear that the community colleges, secondary adult schools (whose enrollments have been constant this decade), and other providers are meeting the needs of these populations. The proportion of Asians enrolling in community colleges is high and relatively stable while, by contrast, that of Hispanics is low and decreasing (see Figure 3).

Figure 3

PROPORTION OF CALIFORNIA ADULT POPULATION ENROLLED IN COMMUNITY COLLEGES BY RACE AND ETHNICITY



The largest decline in community college participation during this decade has been among Black students. This decline appears attributable in large part to the increasing cost of college attendance and an improving job market, particularly for young Blacks whose financial situation and need to work appears to have prevented them from enrolling.

Also deterring both Blacks and Hispanics from postsecondary education are their low high school graduation rates and, even among graduates, relatively low numbers who are eligible for four-year institutions and increasing numbers who are choosing not to continue their education in any postsecondary institution. These patterns are consistent with patterns reported elsewhere in the country.

1984 ENROLLMENT CHANGES AND THE IMPACT OF THE NEW FEE

In 1984, community college credit enrollment decreased again, by seven percent, and noncredit enrollment was nearly unchanged from 1983. The decrease in credit enrollment was due to several conflicting influences. For the first time in three years, there was a budgeted increase for inflation and enrollment growth and there was also a financial incentive in the funding mechanism to restore enrollment losses that had taken place in 1983. Moreover, it appears that community colleges attempted to grow by increasing their number of course sections by nearly four percent over the prior year. Despite these "supply" incentives and actions, credit enrollment decreased. This decrease has been attributed to several factors: the impact of the new enrollment fee, improvements in employment, declining numbers of high school graduates, changes in community college academic calendars and other practices, and actions by the University and State University.

This preliminary analysis attempts to assess the relative importance of these factors in the enrollment loss and to identify important consequences. This work relies largely on three sources of information. Two sources involve statewide data: one, based on studies by the Field Research Corporation (FRC), looks at the statewide characteristics of students; the other source looks at the changing number of students in each district. A number of specific studies of enrollment changes in specific community college districts comprise the third source of information.

FRC data examine possible changes in the socioeconomic characteristics of students before (Spring 1984) and after (Spring 1985) the implementation of the enrollment fee. This preliminary evidence on apparent changes will be expanded further by a study of student characteristics in the Spring 1986. This will help show if the changes observed between 1984 and 1985 can be attributed to the fee or if they are simply part of the longer-term trends noted above. The FRC studies of a stratified statewide sample of community college students are being supplemented by data on the demographic characteristics of all students, collected each term by the State Chancellor's Office.

A district-by-district examination also is necessary because of the variation among districts as to how much total student charges actually changed between 1983 and 1984. As the mandatory enrollment fee of $50 per semester for those taking six or more units and $5 per unit for those taking fewer than six units was implemented, several permissive fees for instructional materials, health,

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and other student services were eliminated. The use of permissive fees varied substantially among districts prior to 1984 and, as a consequence, the net cost increase facing students in the fall 1984 also varied substantially from district to district. It is estimated that two districts actually reduced their student fees in 1984, the average statewide increase for the year was $36 per student, and the largest annual increase in a district was $91 per student. (Figures represent estimates of total fees collected divided by total number of students, both full- and part-time.)

District data are examined by statistically correlating the fee changes and the enrollment changes. If fees did have an impact, then (other things being equal) those districts increasing their fees the most would be expected to experience the largest enrollment losses. Since other factors affected enrollment (other things were not equal), the analysis relies on a statistical technique, multiple regression, whereby the specific impact of fees on student enrollment can be observed while holding the impact of other factors constant. This procedure makes its possible to draw general conclusions about the relative influence of the fee and of each of the other factors thought to be important in enrollment changes. While this is the most powerful statistical procedure available for this purpose, it has limitations and should be regarded less as a predictive tool than as a way to help explain what factors appear related to enrollment changes. Several of the factors thought to cause enrollment change are statistically interrelated so that the empirical results require careful interpretation.

The third source of information for this preliminary work, studies which examine recent enrollment trends in specific districts, reveals results that are generally consistent with findings from the statewide analyses. Notably, three of these local studies help fill the gap in information about formerly-enrolled students who did not reenroll in 1984. These former students were surveyed about the specific reasons they withdrew. The FRC data provide an indirect indication of such reasons by contrasting the characteristics of students enrolled after the fee's imposition with those of students enrolled before the fee.

Using these three sources of information, major findings of this preliminary analysis show that:

- *The new enrollment fee had an impact on student enrollment, but the following factors also played a part: changing academic calendars, district financial ability (in the case of full-time enrollment), an improved labor market (in the case of part-time enrollment) and -- outside the large urban districts -- the change in number of high school graduates and the Board of Governors' financial aid program.*

With other factors held constant in each of a series of regression analyses, higher fees are related in a statistically significant way to higher enrollment losses. While this relationship is strongest in the large urban districts, it holds even when Los Angeles, Peralta, San Francisco and San Diego are removed and the analysis includes just the other 66 districts. Only in the case of those students taking fewer than six units in colleges outside the large urban districts is the relationship between fees and enrollment not statistically significant.

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The specific empirical results of this analysis, when used to assess the response of students to changes in the cost of college-going, compare favorably with similar calculations in other studies which also have examined the possible relationship between fee changes and enrollment changes.

The regression analyses also show that other factors are related to 1984 enrollment changes, though not with the same consistency nor to the same apparent degree as the enrollment fee. As other findings and further discussion below show, the reasons behind decisions about college going are many and complex. Aside from the fee, factors which our analysis indicates had an impact on enrollment include academic calendar changes, employment conditions, the change in number of high school graduates, district financial ability, and the Board of Governors' financial aid program. Efforts to measure the impact of actions by the University and State University, community college program and course changes, and the impact of other academic practices like assessment did not yield statistically significant findings.

In 1984, seven districts switched their academic calendars to a starting date that was earlier than in prior years. Experience shows that despite efforts at publicity, such changes always result in enrollment losses. Except for full-time students in colleges outside the large urban districts, changes to an early calendar are associated with large enrollment losses, though the effect appears to have been less than that of the fees.

The number of unemployed Californians fell by nearly one-fifth between 1983 and 1984. It is generally believed that as unemployment declines and adults go back to work, community college enrollments decline since there is less time for college attendance and less need for job training or retraining. Consequently, one would expect this factor to have contributed to 1984 enrollment losses.

The analysis shows that improved employment was nearly as significant (in the four inner city districts) and possibly more significant (in the other districts) than were fee changes in the losses of part-time students taking six to eleven credit units. Changes in employment appear to have had little impact on the enrollment of full-time students or those taking less than six units.

Of those variables that could describe the effect on enrollment of the provision of courses and services, only district ability (measured by the percent that reserves are of a district's budget) had a significant impact. Districts with relatively greater reserves appear to have been better able to maintain the enrollment of full-time students than were districts with few reserves. Unexpectedly, those districts with large losses in 1983 and a fiscal incentive to maintain or increase enrollments in 1984 did not always make substantial increases in their course section offerings. Neither the fiscal incentive nor the change in course sections is significantly related to enrollment changes in the expected way. Efforts by those districts who did add courses in order to prevent enrollment losses were not successful.

The total number of California high school graduates dropped by 4,500 (nearly two percent) between 1983 and 1984. However, there was considerable variation in different regions of the state; areas served by ten community college

districts reported increased numbers of high school graduates. The change in high school graduates did impact the number of full-time students.

- *The new Board of Governors' financial aid program did not have the full impact expected, particularly in the large urban districts, because of inadequate local staffing and complex application procedures.*

Along with adoption of a mandatory student enrollment fee, the Board of Governors was authorized to distribute $15 million in financial aid grants and in fee waivers for those students on public assistance. The Board adopted regulations on the management of the program and distributed funds to districts on the basis of estimates of local household income and other factors measuring student financial need.

According to FRC data, the number of community college students receiving financial aid (one in ten) was unchanged from year to year. Eight percent of the 1985 students reported receiving financial aid specifically to pay for the enrollment fee, including waivers and grants. While only $5 million in aid was distributed, it was effectively targeted to those in need. If measured by its effect on reducing enrollment losses, the program appears to have had its most success outside the inner city and, as expected, primarily with those full-time students taking 12 or more units. Moreover, the program doubtless played an important part in keeping the loss in low income students as moderate as it was. Of importance, however, are those in need who didn't receive any aid and may, as a result, not have enrolled.

Three factors are believed to have contributed to the incomplete use of financial aid. First, eligibility forms and procedures were quite complex, particularly for individuals not familiar with such procedures. Second, it is generally recognized that community college financial aid offices are significantly understaffed. Finally, the pattern of distributing less aid than was available during the program's first year is consistent with that of new financial aid programs initiated elsewhere. It generally takes two to three years before news and details of aid programs reach all those potential students who could benefit.

- *Enrollment increases were experienced by a few suburban and rural colleges, while the largest losses were reported by colleges in the large urban districts where incomes are lowest and the proportion of minority students the highest.*

The analysis above noted that the more significant impact of fees upon enrollment took place in the large urban districts. Aside from San Francisco, colleges in the four large urban districts reported large losses in credit enrollments.

The four large inner-city districts of Peralta, Los Angeles, San Francisco, and San Diego comprise 18 percent of total credit enrollment, but accounted for one-third of the statewide credit enrollment loss in 1984 and exhibited much higher relative losses (-14.6%) than did the other 66 districts (-6.7%).

Larger fee increases reported in the four urban districts were due to the fact that these districts had levied few if any of the permissive student fees

prior to 1984. These same districts are characterized by a residential population whose average wealth has been reported to be substantially below that of residents in the other districts across the state:

	Average Fee Increase 1984	Average Household Income 1980
four large urban districts	$ 66	$ 15,723
other sixty-six districts	34	18,287

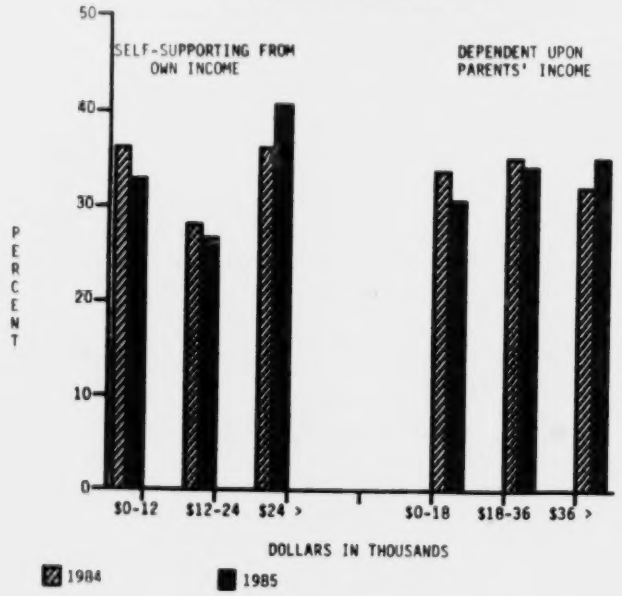
- *Students enrolled after the imposition of the mandatory fee reported higher incomes than did students enrolled prior to the fee. Income shifts were particularly significant in the case of Black students dependent upon parents' income, and self-supporting White students.*

The impact of the fee might be expected to have produced a general shift in student incomes from the lower and middle ranges to the upper ranges. That is, those least able to pay would be most affected by the fee.

Preliminary evidence from the first two FRC studies shows that average student incomes increased between 1983 and 1984. This would be expected in any case since the per-capita income of Californians rose by an estimated nine percent during that year. However, adjusting for inflation and examining the distribution of student incomes, a shift from lower and middle to higher incomes is noted for both dependent and self-supporting students (see Figure 4).

Figure 4

PERCENT DISTRIBUTION OF STUDENTS
BY REPORTED ANNUAL INCOME
CALIFORNIA COMMUNITY COLLEGES



The income shifts were particularly significant in the case of Black students who are dependent upon their parents' income, where a large loss in middle income students was matched by a large increase in students whose parents had higher incomes. A similar shift (from middle to upper income) was reported for self-supporting White students.

- o *Disproportionate losses of Hispanic and, especially, younger Black students appear to have been due to a number of financial considerations (of which the fee was one) that led many of these individuals to work, rather than enroll.*

Disproportionate losses of Black and Hispanic community college students have taken place in both 1983 and 1984. The 1984 loss in Black students (-18%) was particularly significant. Among these Black students, the largest losses were in those who would have been:

- taking six to eleven units
- male
- under thirty years of age
- attending during the day

This profile is consistent with the experience found in several studies of local districts. In a Los Rios survey of Black students who did not return, employment or job conflicts were the reasons cited most often for not enrolling. One-third of the respondents indicated that financial reasons (including the fee) accounted for at least part of their decision.

A study of enrollment loss in San Diego revealed that, for Black students, general financial reasons (including fees, books, and employment) were most important in the decision not to return to community college. One-fourth of formerly enrolled students surveyed in the San Bernardino district indicated that job-related concerns were the most important reason for not reenrolling, followed by personal reasons. The fee and financial concerns were more important to minorities than to White students and were cited by Hispanics as the second-most important reason for not reenrolling.

Thus, it would appear that a number of financial considerations (including the new fee) caused young Blacks and Hispanics alike not to enroll or reenroll, but rather to work. It is not clear, however, why Black enrollments fell so much more than Hispanic enrollments in virtually all districts throughout California during the Fall 1984. Population growth rates would appear to account only for part of the gap. One possible explanation, based on FRC data, may be that Black students have a greater economic need and perhaps ability, than do Hispanic students, to enter the job market, rather than continue their education. Further analysis, particularly of the characteristics of those students enrolled in 1985-86, is necessary in order to identify possible reasons for this difference.

- o *The largest losses took place among students, taking six to eleven credit units, for whom the new fee represented the largest relative cost increase and for whom employment in an improving labor market represented a sometimes necessary alternative to enrollment.*

There was a slight decrease in the academic loads carried by students after the imposition of the fee. This was due primarily to the large losses among students taking six to eleven units. The $50 fee for these students represented the largest relative increase in costs. Students taking six to eight units, for instance, could drop one course, be subject to the $5 per unit charge, and pay less than half the $50 fee; or they could take an additional course at no additional cost. The analysis shows also that students who would have been taking six to eleven units also were the most sensitive to an improving labor market.

That many students decided to shift from two courses to one in order to avoid the full impact of the fee is seen in the minimal 1984 losses that were reported for the category of students taking less than six units.

- *There was virtually no change in the reasons for student enrollment before and after the fee.*

Reporting on their educational objectives, thirty percent of the students indicate they are enrolled for transfer, nearly one-half for occupational skills, seven percent for basic language and computational skills, and 13 percent for other purposes. This pattern was virtually the same in both 1983 and 1984.

POLICY IMPLICATIONS

The evidence from this preliminary report suggests that, during the past half-decade, policy changes have had a greater impact on community college enrollment fluctuations than have changes in the state's economy and demography. The Board of Governors and other makers of public policy for community colleges can do little about the enrollment impact of a declining 18 to 24 year-old age cohort or a fluctuating California economy. However, the Board can change or recommend changes to policies that are known to impact enrollment. A number of these policies are discussed below. Other policy implications are likely to be revealed as staff continue their work.

Fee Changes

Findings to date suggest that future changes to student fees in community colleges need to be made with consideration for fee levels, the fee structure, and the equity of fee changes to students in different districts.

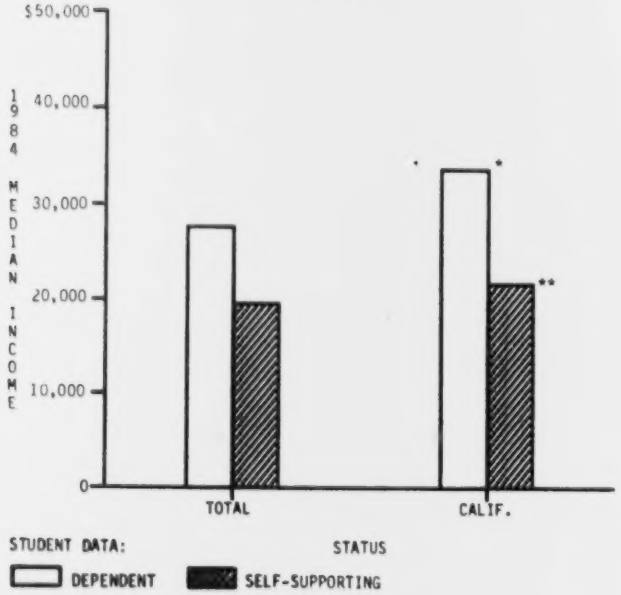
Proposed changes in the level of fees should be assessed with an understanding that fees are only a part of the costs faced by a student considering community college attendance. Transportation, books and supplies, housing (in some cases), and child care (for one in ten students) represent other out-of-pocket expenses that in total amount are several times greater than are fees. Added to this are those costs represented by the opportunities for work and other pursuits that are lost because of the time needed for commuting, class attendance, and studying. By most measures, the total cost of an individual community college students' education is borne both by that student (and parents,

if the student is financially dependent) and by the taxpayers who subsidize most of the institutional costs.

The preliminary data indicate that low income students were affected to a greater degree than high income students by policies (including the fee) and conditions that existed in 1984. Moreover, community college students are less wealthy than those adults in California's population who are in similar circumstances (see Figure 5). At present, a more wealthy taxpaying public subsidizes a part of the cost of educating a less wealthy community college student. This concept of redistributing wealth and opportunities should continue to be an important consideration in setting fee policies. A typical criticism of public tax support for postsecondary education is that lower income taxpayers subsidize students from higher income backgrounds and, therefore, the "redistributive" consequences of postsecondary education are "regressive." This may be true for many four-year institutions, but it is not true in the case of California community colleges.

Figure 5

ANNUAL INCOME FOR
COMMUNITY COLLEGE STUDENTS
AND ALL CALIFORNIANS



The fee structure also is important. The charge of $50 per term for those taking six units and $15 for those taking three units appears to have persuaded many students to take one course, rather than the two courses they might have taken ordinarily. Future review of the fee structure should include consideration of factors which induce students to take a larger, smaller, or even a more or less stable academic load. The existing course drop fee also has an impact on the academic load taken by students. Policies which cause students to complete their education in less time or to choose a more relevant set of courses are obviously preferable to those which result in the opposite behavior.

A third consideration in changing fee policies has to do with the differential impact that may confront students in different districts. Prior to 1983, districts had independently adopted a series of fee increases to an elaborate structure of more than a dozen permissive student fees. The result was substantial variation in the fees levied students in different districts. Increased fees, particularly for the costs of instructional materials, had been levied on students largely in suburban and rural districts. Since a number of these fees were eliminated when the new enrollment fee was introduced, net 1984-85 fee increases were largest in urban districts where students tend to more often be from low income economic circumstances. While the Board of Governors' financial aid program targeted more funds for districts with low income students, there was little consideration of the added need arising from differentially higher fee increases. Future changes in fee and financial aid policies need to be assessed for their differential impact on students in different districts.

Financial Aid Problems

Major problems with the Board of Governors' new financial aid program have to do with a lack of awareness of the program on the part of potential students in financial need, complex application procedures, and inadequate staffing in college financial aid offices.

As the program moves into its second and third years and more information is disseminated, awareness will increase. The Board has acted to decrease the complexity of the program through regulation changes, effective beginning this calendar year, which (a) combine the three separate programs (Fee Credit, Fee Waiver and Board of Governors Grant) into one Board of Governors Grant (BOGG) program, (b) eliminate the unit enrollment distinctions, and (c) modify the aid application procedure. Legislation is pending to further simplify the aplication process.

Staffing problems have been addressed in legislation that allocates seven percent of financial aid funds for administration. While two percent of the revenue collected from the new enrollment fee was to be retained locally, it has been estimated that two-thirds of the colleges did not use it to support financial aid administration. The amount (about $13,000 per campus) may not have been adequate for the added costs of fee collection, much less the added costs of financial aid administration. Chancellor's Office staff estimate that community college financial aid offices have been supported at a rate that is less than two-thirds of that reported for aid offices at the University and State University.

Other questions about financial aid remain. While the aid that was distributed appears to have gotten to those most in need, why did half of those students on public assistance not receive fee waivers when they qualified automatically? Since more low and middle income students were lost in 1984 than were upper income students, is it also possible that the economic needs of students just above the poverty level were not adequately addressed? Among other problems that need further investigation are a possible decline since 1982 in the number of financial aid applicants and an apparent increase in the proportion of applicants who have not received aid because the processing of their files was not completed.

Employment and Course Scheduling Conflicts

Of every five community college students, two work full-time and two work part-time. The typical student works 29 hours per week. This employment pattern is quite different from that of University and State University students and reflects the economic need of community college students.

The need to work can result in personal scheduling conflicts that sometime prevent individuals from attending colleges. Two local studies of former students who did not reenroll in 1984 show that a job-hour conflict with class was the specific reason most frequently cited for their decision. There needs to be further review of the constraints that surround the scheduling of classes and services in an effort to develop policies that provide incentives for community colleges to more effectively serve that majority of students who must work.

Losses in Minority Enrollment

There has been a dramatic decrease in the enrollment of adult Californians in community colleges during this decade. This decrease was particularly evident among Black and Hispanic students in 1983 and 1984. As noted above, the largest decrease in community college participation (enrollment divided by population) during this decade has been among Black students. The proportion of Hispanics enrolling in community colleges is the lowest of any major racial and ethnic group and is declining. There is a need to review further the policies and conditions which lead to such disproportionate consequences.

While fees have had an impact, particularly among younger Black students in 1984, other factors are involved. Inadequate high school preparation, reflected in the high dropout rates for Black and Hispanic students, is one such factor. The Board of Governors can help address this problem by working more closely with high schools in a variety of ways. But, even among high school graduates, it isn't clear why large numbers of Blacks and Hispanics are deciding not to continue their education at the postsecondary level. Economic, personal and family considerations all play a part in such decisions. The frequent conflicts between class schedules and job hours were noted above. Many unemployed Blacks and Hispanics returned to work during the economic recovery that extended throughout 1984. However, even for those preferring to work rather than continue their education, it is doubtful that many such jobs represent the first step in viable long-term careers that might have been more effectively pursued with additional postsecondary education and training.

There also is a need for college staff to be particularly sensitive to the needs of those students who lack adequate high school preparation. The ability of staff to meet this need has been made more difficult by the fact that recent increases in academic standards have not been accompanied by increases in the support services that are necessary for underprepared students to achieve generally higher expectations.

Most minority and underprepared students tend to be enrolled in specific districts, often in the urban or inner city areas. At present, all but a small part of the funding of districts is based upon an undifferentiated, workload-driven formula which ignores the extra costs inherent in dealing with the needs of underprepared students. When policies for differential funding are developed, the needs of underprepared students must be considered along with the cost variation attributable to different disciplines and instructional delivery techniques.

These and many other factors affecting student enrollment were discussed recently at a three-day symposium on minority access (December 13-15, 1985) sponsored by the Board of Governors. The results and recommendations of that symposium will be presented to the Board at an upcoming meeting.

NEXT STEPS

Further work is underway to verify the findings of this preliminary work from other data on pre-fee and post-fee conditions and related enrollment fluctuations. This work also will enable staff to sharpen and expand the policy implications described above.

Early estimates indicate that Fall 1985 credit enrollment may have declined by nearly three percent from the level reported for Fall 1984. While it is too early to estimate noncredit enrollment, most districts indicate they are experiencing increases. It appears likely that the overall result will be a stabilization of community college enrollments.

Detailed analysis of enrollment data for 1985-86 and another study of student characteristics in Spring 1986 by the Field Research Corporation will enable staff to develop more definitive conclusions about the impact of the mandatory student enrollment fee and other factors known to have affected recent trends in community college enrollments. An advisory committee of state and local staff also has started a series of meetings to provide assistance to the Chancellor's Office in this work. A progress report on this study is due to the Legislature by January 1987 with a final report to be delivered in July 1987. The enrollment fee is authorized until January 1988.

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